

Remarks

This is in response to the final Office Action mailed on March 30, 2006 and the Advisory Action mailed on July 13, 2006. The remarks are in supplement to the Amendment (unentered) filed on June 29, 2006. Claims 1-9, 12-31, and 34-45 remain pending. Reconsideration and allowance are requested for at least the following reasons.

The claims recite modulating a phase of the dot pattern to embed each latent image object into its respective watermark layer, or at least one latent image object embedded into each watermark layer by modulating a phase of the dot pattern.

It is respectfully suggested that modulation of a dot pattern to embed a latent image object involves more than mere alteration of dots. For example, the figures below illustrate phase modulation and demodulation of an image object in one watermark layer of an optical watermark.

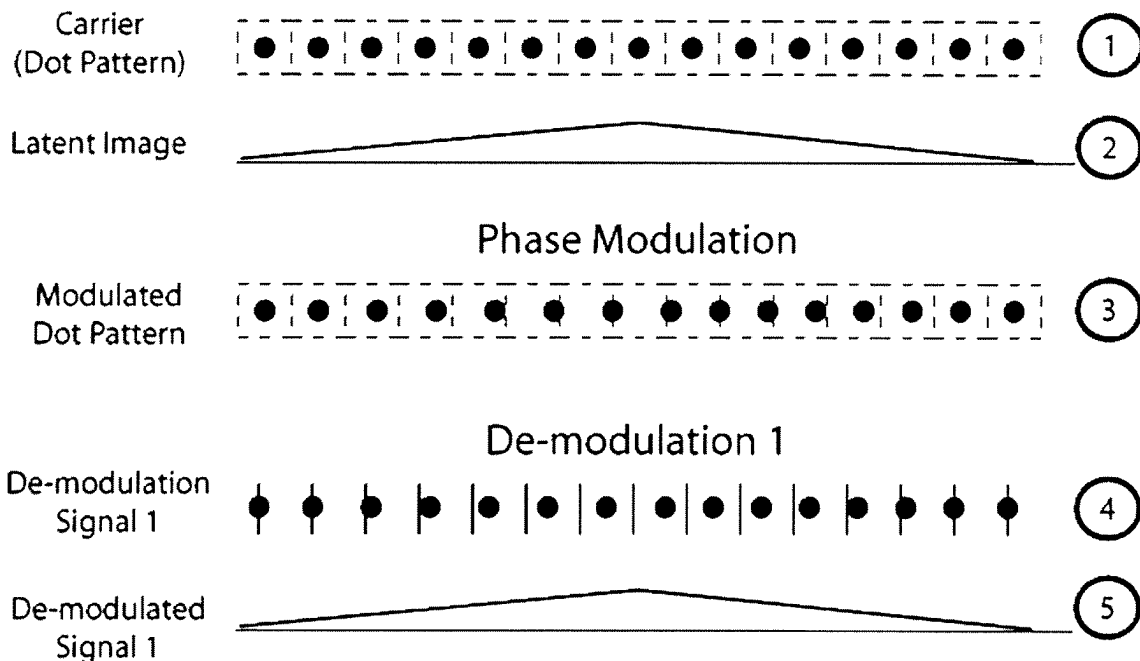


Figure 1 illustrates the example carrier signal which, in the embodiment shown, is a dot pattern containing a single fixed frequency. Figure 2 is the signal of the example latent image, the amplitude representing the actual gray scale of the latent image.

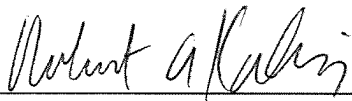
Figure 3 is the modulated dot pattern after phase modulation. Note that the new positions of the dots are not the result of simple repositioning, but is instead the result of modulating the carrier signal (Figure 1) with the latent image (Figure 2). Because the embedding of latent image is done through phase modulation, a de-modulation process can re-cover the latent image, as shown in Figures 4 and 5.

For at least these reasons, it is respectfully suggested that modulating a phase of the dot pattern to embed each latent image involves more than alteration or repositioning of dots. None of the art of record discloses or suggests phase modulation. Reconsideration and allowance of all claims are respectfully requested.

Favorable reconsideration in the form of a Notice of Allowance is respectfully requested. Please contact the undersigned attorney with any questions regarding this application.

Respectfully submitted,
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